

STATEMENT OF PURPOSE

RS29902C1 / H0001

This bill makes the following changes designed to quickly and efficiently respond to historic inflation and the harm it is inflicting on Idaho taxpayers and the education system:

- Provides a one-time tax rebate of \$500 million to help Idahoans struggling with inflation and property tax bills. The rebate is the greater of 10% of tax amounts paid in 2020 or \$600 per joint filer (\$300 for individual filers).
- Consolidates the income tax brackets to a flat tax at 5.8% for both individuals and corporations, providing a tax cut for all Idaho income earners and enhancing the state's business competitiveness. It also exempts the first \$2,500 from taxation for single filers or \$5,000 for joint filers.
- Provides \$410 million of annual funding directly from the state's sales tax to the public school income fund and in-demand careers fund.

FISCAL NOTE

For FY 2023, the net impact is \$500 million, with a one-time transfer to the Idaho Tax Rebate Fund.

For FY 2024, the following revenue adjustments are made:

- \$161.2 million in ongoing income tax reduction.
- \$410 million in ongoing sales tax transfers.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).